



Department of Justice

FOR IMMEDIATE RELEASE
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**TWO JAPANESE FAX PAPER COMPANIES AGREE TO PAY FINES TOTALING
MORE THAN \$3.5 MILLION FOR THEIR INVOLVEMENT
IN A PRICE FIXING CONSPIRACY**

WASHINGTON, D.C. -- Two Japanese paper companies, Mitsubishi Paper Mills Ltd. and New Oji Paper Co. Ltd., have agreed to plead guilty today and have agreed to pay fines totalling more than \$3.5 million for their involvement in a fax paper price fixing conspiracy, said the Department of Justice.

Today's charges are part of the Department's ongoing antitrust investigation into international cartel practices in the \$120 million a year thermal fax paper industry, which has resulted in several guilty pleas. Today's plea agreements, which must be approved by the court, will bring total fines in the investigation to more than \$10 million.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said, "This prosecution shows that the Department will not tolerate price fixing by either domestic or foreign firms. Conspiracies to raise prices to American consumers will be vigorously prosecuted wherever it takes place and whoever is involved."

In court papers filed in U.S. District Court in Boston, the Department charged that Mitsubishi Paper Mills located in Tokyo, Japan, and New Oji Paper Co., also of Tokyo, conspired with others to

fix and raise the prices of thermal fax paper sold in the United States between July 1991 and early 1992.

The Department charged that the defendants and co-conspirators, through a series of meetings and telephone communications, agreed to charge higher prices to thermal fax paper customers in the United States. The price fixing conspiracy raised prices to U.S. consumers by approximately 10 percent. Thermal fax paper is used primarily by small businesses and home fax machine owners who depend on low prices for office products.

During the conspiracy, Mitsubishi Paper Mills Ltd. sold approximately \$4.8 million of fax paper to customers in the United States. It has agreed to pay a \$1.8 million criminal fine.

New Oji Paper Co. Ltd. was formed in October 1993 when Oji Paper Co. Ltd. merged with Kanzaki Paper Manufacturing Co. Ltd. During the conspiracy, Kanzaki Paper Manufacturing and Oji Paper Co. sold approximately \$40 million and \$8 million, respectively, of fax paper to customers in the United States. It has agreed to pay a \$1.75 million fine.

In July 1994, Kanzaki Specialty Papers, of Ware, Massachusetts, its former president, Kazuhiko Watanabe, Mitsubishi International Corporation, of New York, and Mitsubishi Corporation, of Tokyo, Japan, pleaded guilty to similar charges and paid fines totalling approximately \$6.5 million. Elof Hansson Paper & Board Inc., a New York based importer of thermal fax paper, pleaded guilty to similar price fixing charges earlier this year.

Bingaman stated that the charges arose from a grand jury investigation conducted by the Antitrust Division's Litigation II in Washington, D.C., and was assisted by the Federal Bureau of Investigation's office in Boston. The investigation is continuing and has been conducted jointly with Canadian Antitrust authorities.

Both firms also agreed to cooperate in the Department's ongoing investigation.

The maximum penalty for a corporation convicted under the Sherman Act is a fine of \$10 million, twice the pecuniary gain the corporation derived from the crime, or twice the pecuniary loss suffered by the victims of the crime, whichever is greater.

The maximum penalty for an individual convicted under the Sherman Act is a period of incarceration of three years and the greatest of a \$350,000 fine, twice the gross pecuniary gain the individual derived from the crime, or twice the gross pecuniary loss caused to the victims of the crime.

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